

P-421/CI-88-152 ORDER AUTHORIZING NORTHWESTERN BELL TELEPHONE
COMPANY TO TERMINATE ONE PARTY METERED SERVICE IN BRAINERD

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna
Patrice M. Vick

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of an
Investigation into Northwestern
Bell Telephone Company's
Optional Measured Service Trial
Offerings

ISSUE DATE: February 15, 1991

DOCKET NO. P-421/CI-88-152

ORDER AUTHORIZING NORTHWESTERN
BELL TELEPHONE COMPANY TO
TERMINATE ONE PARTY METERED
SERVICE IN BRAINERD

PROCEDURAL HISTORY

On December 29, 1981, the Commission authorized Northwestern Bell Telephone Company (NWB) to propose a demonstration project which would test 1) optional measured service (OMS) in at least three distinct geographical areas including a major metropolitan area and a rural area and 2) one-party metered service (1MR). In the Matter of the Petition of Northwestern Bell Telephone Company, Minneapolis, Minnesota, for Authority to Change its Schedule of Telephone Rates for Customers Within the State of Minnesota, Docket No. P-421/GR-80-911, FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (December 29, 1981).

On April 20, 1983, the Commission directed NWB to submit information regarding the first 12 months of the demonstration project. In the Matter of the Petition of Northwestern Bell Telephone Company, Minneapolis, Minnesota, for Authority to Change its Schedule of Telephone Rates for Customers Within the State of Minnesota, Docket No. P-421/GR-82-203, FINDINGS OF FACT,

CONCLUSIONS OF LAW AND ORDER (April 20, 1983), Ordering Paragraph 8.

On June 29, 1983, NWB submitted information regarding the results of the first 12 months of the demonstration project in compliance with the April 20, 1983 Order.

On September 1, 1983, following its review of the first 12 months of the demonstration project, the Commission found that OMS had significant potential for meeting the special needs of certain subscribers and that its availability should be expanded. In the

same Order, the Commission noted that as a new service in a

rapidly changing telecommunications environment, OMS should be monitored. The Commission invited the parties to suggest changes whenever they appeared appropriate. The Commission made no findings or changes regarding the trial provision of 1MR. NWB's 1982 Rate Case, Docket No. P-421/GR-82-203, SUPPLEMENTAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER RELATING TO OPTIONAL MEASURED SERVICE September 1, 1983).

Subsequent filings in this matter related primarily to the propriety of OMS rates rather than to the subject of this Order, 1MR.

On December 11, 1990, the Commission met to consider both optional services authorized as part of NWB's demonstration project: OMS and 1MR.

FINDINGS AND CONCLUSIONS

By order in this matter dated January 10, 1991, the Commission terminated the trial of OMS, established it as a permanent service offering of NWB, and directed NWB to file revised rates for OMS consistent with certain principles adopted in that order. In the Matter of an Investigation into Northwestern Bell Telephone Company's Optional Measured Service Trial Offerings, Docket No. P-421/CI-88-152, ORDER AUTHORIZING NORTHWESTERN BELL TELEPHONE COMPANY TO OFFER OPTIONAL MEASURED SERVICE AND REQUIRING THE FILING OF REVISED RATES (January 10, 1991).

In this Order the Commission determines the status of the related trial service: 1MR. One-party metered rate service (1MR) has been offered on a trial basis by NWB as a second alternative to flat rate service (FRS) in one exchange (Brainerd) since June 1982 as part of the OMS Demonstration Project ordered by the Commission in NWB's 1980 general rate case. NWB Rate Case, Docket No. P-421/GR-80-911, FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (December 29, 1981).

Customers seeking an alternative to flat rate service appear to heavily favor OMS over 1MR. Company figures indicate that while 2,435 Brainerd customers chose OMS, only 588 chose 1MR. In addition, since information on local exchange service is prepared on a regional statewide basis, the availability of 1MR in only one exchange creates the potential for customer confusion. Further, offering 1MR in only one exchange will require NWB to continue to incur additional and disproportionate information costs.

In light of these considerations and the existence of OMS as a strong alternative to FRS, the Commission will not establish 1MR

as a permanent service offering. Instead, the Commission will phase out the provision of 1MR but will not disturb the status quo for current 1MR subscribers. The Commission will require NWB to continue to provide 1MR to current subscribers at their present address but will also prohibit NWB from providing the service for new installations or to current 1MR customers who move to a new address.

ORDER

1. Northwestern Bell Telephone Company is directed to continue providing one-party metered service (1MR) to persons currently subscribing to that service so long as these subscribers reside at their current addresses. No further provision of 1MR is required or authorized.
2. Northwestern Bell Telephone Company shall file a tariff consistent with the terms of Ordering Paragraph 1 on or before March 1, 1991.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)